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## Italy and the Mediterranean

Summary

Relations with key countries around the Mediterranean littoral have played an important role throughout Italian history, and today these are among Italy's principal trading partners (see attached tables). Rome's "Mediterranean policy" is primarily a series of bilateral policies, but at a broader level there is also a shared perception among Italian foreign policymakers that the problems and issues of the Mediterranean region--encompassing North Africa, the Horn, the Middle East, the Aegean, and Iberia--form an interrelated whole, a web which quickly transmits any quiver to its farthest extremity. Middle Eastern-spawned terrorist incidents in Italy have enhanced this perception during the past decade, fostering a growing concern among Italian leaders that instability anywhere in the region could have economic and political repercussions at home. For the first time, Middle East policy is becoming a domestic political issue.

Rome's present preoccupation with the Mediterranean also reflects Italian perceptions of East-West detente. Both political leaders and public believe that US and Soviet military strengths in Europe are roughly equal and that the potential risk of conflict along the central front has been checked. The situation in the Mediterranean, in marked contrast, appears far more worrisome as a result of:

--The Soviet Union's naval presence.

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This memorandum was prepared by [ ] Office of European Analysis. Questions and comments are welcome and may be addressed to [ ] Chief, West European Division, [ ].

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- The spread of advanced weaponry throughout the Mediterranean littoral.
- Lack of progress in the Middle East peace process and the threat of yet another war between Israel and its neighbors.
- The possibility that the Iran-Iraq war will escalate further.
- The continuing squabble between Greece and Turkey over Cyprus and the apparent likelihood that the UN-sponsored talks will soon break down.
- Qadhafi's unpredictability and undoubted eagerness to strike back at the US and its allies.

Italian leaders are still uncertain, however, about how much, and what kind of, influence they can exert in the region. Lacking "big power" resources, Rome's postwar emphasis has been on mediation. Since the formation of the EC, Rome has further sought to increase Italian leverage in the Mediterranean by enlisting the support of its EC partners. In addition, Italian leaders, recognizing the key role played by the United States in the Mediterranean, are now trying to influence Washington to:

- Take a more comprehensive view of the region.
- Wean the moderate Arab states from the radicals by convincing Israel to be more flexible on questions like the West Bank.
- Further clarify the US commitment to help defend Italy against threats emanating from outside the NATO area.
- Offer more extensive exchanges that will enable Rome to shape US views.

The differences that have arisen among Italian leaders during the past several years over foreign policy in general, and policy toward Libya and the Middle East in particular, are shaped as much by individual personalities and changes in the correlation of political forces in Italy as events overseas. The Christian Democrats' waning strength at the polls over the past decade clearly has strengthened the hand of smaller parties such as the Republicans and the Socialists in intra-coalition wrangling. Foreign policy decisionmaking, largely a Christian Democratic

preserve since World War II, has now become another arena for party competition.

As long as the Prime Ministry and the Foreign Affairs and Defense portfolios are divided among senior political rivals like Bettino Craxi, Giulio Andreotti, and Giovanni Spadolini, some amount of disagreement over foreign policy is inevitable.

--All three men are trying to appeal to the same moderate, center-left voters.

--Each of them needs to appear to be pursuing policies in harmony with the United States in order to avoid alienating more conservative supporters.

--But none of them can afford to appear subservient to the US.

Although the current five-party government coalition has at times made Italian foreign policy seem more complicated than before, Craxi, Andreotti, and Spadolini's differences tend to revolve around emphasis rather than objectives. Andreotti, for example, seems more closely wedded to the practice of advancing Italy's aims strictly through mediation.

--He reached political maturity during the immediate postwar era when Italy could not afford to "take risks."

--He is also the leading exponent of the line of Christian Democratic Party thinking that portrays Italy as a bridge between the developed and the developing world.

--He believes that there is room, under special circumstances, for Italy and its European partners to undertake initiatives without the United States.

--He is also a strong proponent of the view that dialogue is the key to international relations and that there is little place for force.

Andreotti has come under mounting criticism from the press, the governing coalition, and even the Foreign Ministry in recent weeks primarily over his reluctance to take Qadhafi to task, but we suspect that his position enjoys broad support among the public at large.

--He ran second only to Craxi in popularity polls published earlier this spring.

--He remains a force to be reckoned in the DC and will command a sizable number of delegates when the Christian Democratic Party congress convenes later this month.

--Although it is possible that Christian Democratic Party Secretary DeMita and Craxi could strike a deal to replace Andreotti as Foreign Minister, any setback is likely to be temporary. Even if he did not receive another portfolio as compensation, Andreotti would probably remain in the running to return as Prime Minister sometime in the future.

Spadolini would agree with Andreotti's views on Italy's role as a mediator, but he seems to believe that Italy must be prepared to take more risks, especially if it wants to be taken seriously in NATO.

--He is just as aware as Andreotti of the limits on Italy's ability to influence events in the Mediterranean.

--He tends to believe, however, that Italy and Western Europe as a whole can accomplish more by working with the United States than by trying to strike out independently.

--Moreover, Spadolini would argue that circumstances sometimes call for strong measures. During the Achille Lauro hijacking, for example, Spadolini insisted that Rome would have to attempt a hostage rescue if negotiations failed. He later triggered a government crisis over Craxi's failure to hold Abu Abbas.

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For his part, Craxi probably occupies ground somewhere between Andreotti and Spadolini's.

he is comfortable with following the same pragmatic approach in foreign policy that he takes in domestic politics. The domestic political game is his principal concern, however, and we doubt he makes any decisions in the foreign policy arena that have not been weighed carefully against their impact at home.

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--He shares Andreotti's view that settling the Palestinian question would help to alleviate the terrorism problem, but he has also called for strong measures against states like Libya that aid and abet terrorism.

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--He has decided, apparently despite opposition from Andreotti, that Italy will reduce its commercial ties with Libya and will attempt, in conjunction with France, to convince the more moderate Arab states to isolate Qadhafi.

--Like Andreotti, he has reservations about using force, but he is prepared to act in the face of a clear threat to Italian interests. He has even hinted in public that he is prepared to launch a preemptive strike against Libya's SCUD forces if a Libyan attack seems imminent.

In sum, Italy's principal concern is to avoid conflict in the Mediterranean and to foster trade with, and economic development among, its less well-off neighbors. Andreotti and others, for example, have spoken on various occasions about the possibility of establishing a separate CSCE regime for the Mediterranean.

The United States clearly will be dealing with an Italy in the years ahead that will be more assertive and outspoken in foreign policy generally, and matters concerning the Mediterranean in particular. Although Italian leaders essentially agree on what Italy's objectives should be in the area, they are divided over approach. The United States should be able to continue, however, to work with those leaders whose views are closer to Washington's [REDACTED]

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Italy - Trade Relations with the Mediterranean  
million US dollars  
1985

	exports	imports	percent of total trade
France	11,093	11,369	13.2
Spain	1,346	1,769	1.8
Yugoslavia	1,206	1,162	1.4
Greece	1,382	744	1.2
Turkey	711	461	0.7
Malta	117	52	0.1
Cyprus	170	17	0.1
Albania	20	15	--
Saudia Arabia	1,782	1,594	2.0
Egypt	904	1,572	1.5
Iran	591	1,547	1.3
Kuwait	448	1,423	1.1
Iraq	705	991	1.0
Israel	492	277	0.4
UAE	463	105	0.3
Syria	251	172	0.3
Lebanon	294	35	0.2
Jordan	249	47	0.2
Yeman	130	4	0.1
Bahrain	82	22	0.1
Oman	81	16	0.1
Qatar	61	60	0.1
Libya	1,210	3,696	2.9
Algeria	935	2,477	2.0
Tunisia	300	339	0.4
Morocco	157	143	0.2
Ethiopia	135	38	0.1
Somalia	89	23	0.1
Sudan	79	43	0.1

Italian Official Development Assistance  
million US dollars  
1983

	Aid Disbursements	Official Export Credits Extended
Yugoslavia	0.3	55.4
Greece	0.7	--
Turkey	2.0	2.7
Malta	31.6	16.1
Cyprus	0.04	--
Saudi Arabia	0.06	
Egypt	10.3	
Iran	0.2	
Iraq	0.2	
Israel	0.2	35.8
Syria	0.02	
Lebanon	1.8	
Jordan	9.6	8.4
Yeman	9.2	
Oman	0.01	
Libya	0.7	
Algeria	0.9	
Tunisia	11.5	24.2
Morocco	5.7	0.2
Ethiopia	15.3	
Somalia	48.9	
Sudan	26.9	

Italian Oil Imports  
1984  
million US \$

	value	percent of total oil imports
World	18,836	100
France	261	1.4
Turkey	220	1.2
Greece	162	0.9
Spain	47	0.2
Saudi Arabia	1,838	9.8
Iran	1,797	9.5
Egypt	1,387	7.4
Kuwait	1,147	6.1
Iraq	1,018	5.4
UAE	361	1.9
Syria	166	0.9
Qatar	165	0.9
Yemen (PR)	57	0.3
Oman	18	0.1
Jordan	18	0.1
Bahrain	3	--
Libya	2,641	14.0
Algeria	609	3.2
Tunisia	136	0.7
Sudan	4	--



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